



## AGENDA REPORT

**Meeting Date:** March 2, 2010  
**Item Number:** E-2  
**To:** Honorable Financing Authority Members  
**From:** Mahdi Aluzri, Assistant City Manager  
Scott Miller/Chief Financial Officer  
David Lightner, Deputy City Manager  
**Subject:** RESOLUTION OF THE BOARD OF DIRECTORS OF THE CITY OF BEVERLY HILLS **PUBLIC FINANCING AUTHORITY DECLARING INTENTION TO REIMBURSE EXPENDITURES** RELATING TO THE CITY OFFICE BUILDING LOCATED AT 9400 SOUTH SANTA MONICA BLVD FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS OF THE AUTHORITY.

**Attachments:** 1. Resolution

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### **RECOMMENDATION**

Staff recommends that the Public Financing Authority approve the attached Resolution of Intent to Bond by the Public Finance Authority to issue in an aggregate principal amount which is sufficient to raise funds for the project in an approximate amount of \$5,000,000.

### **INTRODUCTION**

On January 12, 2010, the City Council was briefed and approved Phase I of an architectural services contract for the proposed joint tenancy office building located at 9400 S. Santa Monica Blvd. This project is contemplated to house a first floor with small retail, a city store and CVB and a third floor for general office use. The second floor is intended to be the headquarters of the Beverly Hill Chamber of Commerce, pending the approval of a purchase deal with the Chamber of Commerce.

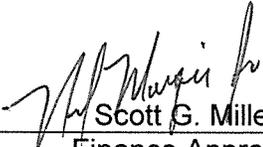
In order to facilitate the construction there are several steps that are required by the Public Financing Authority, this is one of the first steps in the project.

**DISCUSSION**

This Resolution is required to be adopted by the Board in order to use a portion of the proceeds of the bonds to reimburse expenditures made by the Public Financing Authority and the City for the 60 days prior to approving the resolution and any funds thereafter before issuing the bonds. This coverage offers flexibility for the Public Financing Authority to retain more cash flow in the CIP project funding. Actual bonds issuance is not expected until November 2010 subject to the Public Financing Authority's approval.

**FISCAL IMPACT**

This action has no direct fiscal impact, but will allow the City to be reimbursed through future bond funds for project development money advanced by the City.

  
\_\_\_\_\_  
Scott G. Miller  
Finance Approval

David Lightner   
\_\_\_\_\_  
Approved By

RESOLUTION NO. \_\_\_\_

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
CITY OF BEVERLY HILLS PUBLIC FINANCING AUTHORITY  
DECLARING INTENTION TO REIMBURSE EXPENDITURES  
RELATING TO AN OFFICE BUILDING PROJECT  
FROM THE PROCEEDS OF  
TAX-EXEMPT OBLIGATIONS OF THE AUTHORITY**

**WHEREAS**, the City of Beverly Hills (the "City") intends to acquire and construct a three-story office/retail building and related improvements to be located at 9400 South Santa Monica Boulevard (the "Project"); and

**WHEREAS**, in order to provide funds to finance the Project, the City of Beverly Hills Public Financing Authority (the "Authority") and the City propose to enter into an installment sale arrangement or lease financing arrangement; and

**WHEREAS**, for the purpose of obtaining funds to finance the Project, the Authority intends to authorize the issuance and sale of its revenue bonds in an aggregate principal amount of approximately \$5,000,000 (the "Bonds"); and

**WHEREAS**, in order to use the proceeds of the Bonds to reimburse advances made by the City or the Authority for the Project before the date of issuance of the Bonds, but not more than 60 days before the date of adoption of this Resolution, Section 1.150-2 of the United States Income Tax Regulations requires that Board of Directors of the Authority declare its intention to reimburse such advances from the proceeds of the Bonds; and

**WHEREAS**, it is in the public interest and for the public benefit that the Authority declare its official intent to reimburse the expenditures referenced herein to implement the financing plan for the Project;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the City of Beverly Hills Public Financing Authority as follows:

**Section 1. Declaration of Intent.** The Board of Directors hereby declares that it reasonably expects to issue the Bonds and to use a portion of the proceeds thereof to reimburse expenditures made by the Authority or the City for the Project before the date of issuance of the Bonds, and not more than 60 days before the date of adoption of this Resolution. The Authority anticipates that the Bonds will be issued in an aggregate principal amount which is sufficient to raise funds for the Project in the approximate amount of \$5,000,000.

**Section 2. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

Adopted and approved this \_\_\_\_ day of \_\_\_\_\_, 2010.

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Nancy Krasne, Chairman

ATTEST:

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Byron Pope, Secretary

Approved as to form:



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Scott Ferguson  
Jones Hall, APLC  
Bond Counsel

Approved as to content:

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Scott G. Miller,  
Chief Financial Officer